



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON

JUN 26 1958

Dear Mr. Chairman:

As you know, I have been particularly interested during my three years as Secretary of Health, Education, and Welfare in working for sound progress in medical research. This subject of medical research is one for which you have shown special concern over many years. I have been greatly pleased with the progress which has been made through the programs of the National Institutes of Health, and with the ability of the Institutes to maintain high standards of quality in their research endeavors. I am especially concerned that those high standards of quality are continuously upheld. Because of that concern, I would like to express, as you prepare to meet with the Conference Committee on the Labor-HEW appropriation bill, my reservations about the rate of increase proposed by the Senate in appropriations for the National Institutes of Health.

Because I wished to obtain sound advice on optimum rates of increase for medical research, I appointed in August 1957 a group of outstanding men to study this subject. Attached is a copy of the announcement of the appointment of the group issued last August, listing the members and stating the objectives sought. The group has worked diligently over the intervening months and just within the last few days has submitted to me a preliminary report. Though this report is not yet ready for publication, I can give you some advance highlights of the findings and recommendations:

- The Nation's total medical research effort should increase from the current level of about \$330 million to nearly \$1 billion by 1970. This represents an average rate of increase of about 14-15 percent per year.
- The Federal Government should continue to finance about half of this effort.
- The research grant budget of the National Institutes of Health should expand in proportion to the growth of medical research in the Nation as a whole, and will be more than triple the \$100 million level of fiscal year 1958 by 1970.
- Such a rate of growth will require more intensive efforts to train medical scientists, including physicians, and to expand physical facilities. The number of professional medical research workers must double over the next twelve years, and construction funds must become available on a much larger scale than has heretofore been contemplated.

- As the research grant and training budgets expand, the nature of the grants must change. Larger grants for more broadly defined research and training will be called for.

- Base grants must be provided to medical schools, to increase their capacity to perform their educational and research functions more effectively. Such grants can probably not be made unless specific statutory authority is provided.

In my judgment, these are sound views and I agree with the general philosophy and conclusions of the group. The fact that these judgments represent the outcome of careful study over an extended period by progressive and competent men does, I think, make them worthy of the most serious consideration.

It is clear that the increases proposed by the Senate far exceed the stable growth rate recommended by these consultants. There is no question of the commitment of the consultants to a policy of optimum advances in medical research. The question, rather, is how rapidly medical research can be expanded and yet remain on a sound and constructive long-range basis. This question involves the availability of adequate facilities, of competent investigators, and of well-planned and worthwhile projects. I believe that detailed examination would show that there is not currently available sufficient highly skilled research manpower to carry on simultaneously all the projects envisioned in the Senate appropriations.

I also believe that an increase in appropriations to the extent voted by the Senate for a single year may tend to reduce the quality of research. When the funds available are substantially larger than needed to finance all projects which meet the traditionally high standards of the National Institutes of Health, the members of the study sections and councils are naturally under increased pressures to approve projects of lower quality. I am greatly concerned that a single year increase of the magnitude voted by the Senate would lead to serious difficulties along these lines.

As you know, we depend heavily upon members of these study sections and councils to maintain high standards of research through their careful review of all projects submitted to them. In recent years the workload which has been placed upon members of the study sections and councils--almost all of whom are scientists or distinguished private citizens with other heavy responsibilities--has grown enormously. The previously maintained high standards might well be jeopardized by the sheer inability of the advisers to give the additional time required for careful review of so large an increase in projects in one year. While we intend to propose modifications in the project system to reduce the administrative burden, the process of change is complicated and cannot be completed within a year.

Officials of the Department, the Public Health Service, and the National Institutes of Health will, of course, continue to do all they can to see that the high standards of research which have been successfully maintained over many years are continued. This Department pursued this course in fiscal year 1957, though this meant turning back approximately \$10 million to the Treasury. I assume that you would endorse this policy, if necessary, with respect to the 1959 situation. I know you will agree that it is better to turn back excess amounts than to lower our basic standards.

It is important, of course, to consider the relationship of medical research to medical education, so that emphasis on one does not work to the detriment of the other. In this connection, as I indicated to you by telephone, I hope you will concur in the Senate action to delete the restrictive language which has heretofore prevented paying project sponsors more than 15 percent for indirect expenses. At present, many medical schools and related hospitals have indirect costs which are in the range of 30-50 percent of direct costs. They find the drain on their operating budgets to be detrimental to their teaching activities when constantly increasing sums must be spent to cover the indirect costs of Federally-financed research.

I am sure that we in the Department and you on the Appropriations Committees have the same objective--a medical research program for this Nation which will lead most effectively and rapidly to mastery over disease. Members of the Appropriations Committees of both the House and the Senate have been leaders in working toward this goal. My sincere wish is that the Conference Committee will look carefully at the total long-range, over-all picture, and that it will carefully weigh the factors I have pointed out.

In conclusion, it is my opinion that the increase in appropriations for the National Institutes of Health allowed by the House, plus an allowance for full indirect costs, would form a sound basis for the long-term growth of medical research in this country.

I am sending similar letters to Congressman Taber and to Senators Hill and Thyne.

Sincerely yours,


Secretary

Hon. John E. Fogarty
Chairman, Sub-committee on
Departments of Labor, and
Health, Education, and Welfare,
and Related Agencies
House of Representatives